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V Year-End Closing- Prepare Non-Governmental Fund Reports

This chapter describes the encumbrance reclassification process and the report requirements for non-governmental cost funds. The State Administrative Manual (SAM) Sections 13400 through 19464 describe the accounting and reporting requirements.

RECLASSIFY ENCUMBRANCES REPORTED AS ACCOUNTS PAYABLE

In CALSTARS, encumbrances outstanding at year-end are automatically carried forward to the new fiscal year as Start-of-Year Encumbrances. For year-end reporting purposes, the G02 Report, Pre-Closing Trial Balance and Post-Closing Trial Balance, automatically reflects all GL 6150, Encumbrances as GL 3010, Accounts Payable. As a result, departments do **not** record a year-end adjusting entry to reclassify encumbrances as accounts payable. However, the State Controller's Office requires that some encumbrances must be reclassified to the correct general ledger liability account (GLs 3110, 3210, 3220, 3290), rather than GL 3010. To determine if reclassification entries are required, review the PCAs' Ultimate Funds Distribution lines and refer to the following criteria:

- ★ If the encumbrances are ultimately for a Governmental Fund or a General Obligation Bond Fund (classified as Funding Source **B** per the UCM), the reclassification entries are done in order to reflect the correct General Ledger liability account in CALSTARS. Refer to "Entry A-8: Accrual of Expenditures" in Chapter 2 for further instructions.
- ★ If the encumbrances are ultimately for a Non-Governmental Fund (i.e. Federal Trust Fund; Non-Federal Trust and Agency Funds) or any Bond Fund other than a General Obligation Bond Fund, the reclassification entries **are** required.

If reclassification entries are required, departments must perform a detailed analysis to determine the appropriate "Due To" account, the amount to be reclassified and the ultimate Fund Source of the accounts payable to be reclassified as follows:

- ★ Request the D07, Year-End Document File Report Of Encumbrances.
The D07 Report, ordered at the PCA Level (F=1), identifies each encumbrance by Vendor Type and PCA. The D07 Report is sorted by Enactment Year, Fund within Enactment Year, Vendor Type within Fund and then PCA within Vendor Type. Vendor Types **C, E, I, P** are displayed on the D07 Report. These Vendor Types and Vendor Type **1** are not manually reclassified because they will be properly reported as Accounts Payable by CALSTARS. The following chart shows the Vendor Types on the D07 Report that require manual reclassification:

Vendor Types Requiring Reclassification		
TYPE	DESCRIPTION	RECLASSIFICATION GL
2	Federal Agency	3210
3	State Department	3110
4	Local Government	3220
5	Other Govt'l Agency	3290

If using agency or laser print reports for this analysis, discard Vendor Types **C, E, I, P** and **1**. Separate the pages for Vendor Types **2, 3, 4** and **5**. If downloading data sets through the agency/departments CTSO, the file can either be configured with MONARCH data mining software (newer versions) or MONARCH can export the data to a spreadsheet program. In either case the C,E,I,P and 1 vendors can be sorted and excluded (or deleted). Sort the remaining vendors by their vendor type and summarize the totals for each.

NOTE: If there are documents with incorrect Vendor Types, the department must determine the appropriate Vendor Type for each document. Include documents that should have been encumbered with Vendor Type **2, 3, 4** and **5** with the documents that were correctly encumbered. Departments may avoid this extra step by always assigning and keying a Vendor Number when establishing an encumbrance.

- ✪ Review the PCAs shown on the D07 Report for Vendor Types **2, 3, 4**, and **5** to determine the encumbrances funded by Non-Governmental funding sources.

Review a current PCA Table listing to identify the ultimate Non-Governmental Funds in the Ultimate Funds Distribution lines and the PCA Type. PCAs with a PCA Type other than **1** allocate to other PCAs as determined by the Cost Allocation (CA) Table. Review the CA Tables to determine the non-governmental funding sources of PCAs receiving allocated encumbrances.

- ✪ Using the D07 Report, the PCA Listing, and the Cost Allocation Listing, separate the encumbrances by Governmental and Non-Governmental Funds.

After identifying the non-governmental encumbrances by Vendor Type, follow the instructions below for completing the reclassification of encumbrances.

INSTRUCTIONS FOR COMPLETING RECLASSIFICATION WORKSHEET FOR VENDOR TYPE 3:

Exhibit V-1 is an example of a completed Vendor Type **3** Accounts Payable Reclassification Worksheet. Exhibit V-2 is a blank Vendor Type **3** Accounts Payable Reclassification Worksheet that may be reproduced for departmental use.

NOTE: The following procedures manually illustrate the reclassification worksheet process. Departments can create spreadsheet programs based on Exhibit V-1. This may significantly reduce staff time and increase accuracy.

A separate Accounts Payable Reclassification Worksheet is completed for each FFY that has Vendor Type **3** encumbrances. The D07 Report is sorted by Enactment Year, not FFY. The FFY is listed in the body of the report.

1. Locate the encumbrances for Vendor Type **3** on the D07 Report.
2. For each encumbrance listed as Vendor Type **3**, identify the fund number the encumbrance is "Due To" (the fund number in which the payment will be deposited by the receiving department). If the fund number is not known, use the fund number of the department's main support appropriation. Write this fund number in the right margin of the D07 Report next to the "Balance" of each encumbrance.
3. Prepare a separate Accounts Payable Reclassification Worksheet for each FFY with Vendor Type **3** encumbrances. Write the FFY at the top of the worksheet.
4. Transfer to the worksheet the fund numbers identified in Step 2. Write the fund numbers across the top of the worksheet in the boxes located under "Due To Fund". If there is more than one encumbrance with the same fund number, list the fund number only once on the worksheet.
5. In the "PCA" column of the worksheet, list the PCAs from the "PCA" column of the D07 Report. List each PCA only once.
6. Using the D07 Report, calculate the encumbrance amount for each PCA and Fund combination. Post the calculated amounts to the appropriate "Fund" column and "PCA" row on the worksheet.
7. For each PCA listed on the worksheet, list the PCA's ultimate Fund Source (Appropriation Symbol, Fund Source, Fund and Method) and the percentage to be charged. To identify the PCA's ultimate Fund Source view the PCA (for the FFY of the document) in the PCA Table. For PCAs with PCA Type=**1**, the ultimate fund source(s) are shown in the fund distribution segment of the PCA record. For PCAs with PCA Types other than **1**, use the CA Table to determine the PCAs (with PCA Type=**1**) that will eventually be charged through the cost allocation/fund split (CA/FS) process.
8. Calculate the encumbrance amount to be charged to each ultimate funding source. Perform this calculation by multiplying the percentage for each PCA's ultimate Fund Source(s) by the lump sum encumbrance amounts identified in Step 6. Post these calculations into the appropriate column and row on the worksheet.
9. Calculate the "Total Worksheet" amount by summing the column totals. The "Total Worksheet" amount should agree with the total of the documents for the FFY for Vendor Type **3**. Be careful to calculate only the distribution amounts, do not include the original lump sum encumbrance amounts.

INSTRUCTIONS FOR COMPLETING RECLASSIFICATION WORKSHEET FOR VENDOR TYPE 2, 4 and 5:

Exhibit V-3 is an example of a completed Vendor Types **2, 4 and 5** Accounts Payable Reclassification Worksheet. Exhibit V-4 is a blank Vendor Types **2, 4 and 5** Accounts Payable Reclassification Worksheet that may be reproduced for department use.

A separate Accounts Payable Reclassification Worksheet is completed for each FFY that has Vendor Type **2, 4 and 5** encumbrances; however a separate worksheet is **not** completed for each Vendor Type. The D07 Report is sorted by Enactment Year, not FFY. The FFY is listed in the body of the report.

1. Locate the encumbrances for Vendor Types **2, 4 and 5** on the D07 Report.
2. Prepare a separate Vendor Types **2, 4 and 5** Accounts Payable Reclassification Worksheet for each FFY with Vendor Type **2, 4 and 5** encumbrances. Write the FFY at the top of the worksheet.
3. In the "PCA" column of the worksheet, list the PCAs from the "PCA" column of the D07 Report. List each PCA only once.
4. Using the D07 Report, calculate the encumbrance amount for each PCA and Vendor Type combination. Post the calculated amounts to the appropriate "Vendor Type" column and "PCA" row on the worksheet.
5. For each PCA listed on the Worksheet, list the PCA's ultimate Fund Source (Appropriation Symbol, Fund Source, Fund and Method) and the percentage to be charged. To identify the PCA's ultimate Fund Source view the PCA (for the FFY of the document) in the PCA Table. For PCAs with PCA Type=1, the ultimate Fund Source(s) are shown in the fund distribution segment of the PCA record. For PCAs with PCA Types other than 1, use the CA Table to determine the PCAs (with PCA Type=1) that will eventually be charged through the CA/FS process.
6. Calculate the encumbrance amount to be charged to each ultimate Fund Source. Perform this calculation by multiplying the percentage for each PCA's ultimate Fund Source(s) by the lump sum encumbrance amounts identified in Step 4. Post these calculations into the appropriate column and row on the worksheet.
7. Calculate the "Total Worksheet" amount by summing the column totals. The "Total Worksheet" amount should agree with the total of the documents for the FFY for Vendor Types **2, 4 and 5**. Be careful to calculate only the distribution amounts and do not include the original lump sum encumbrance amounts.

INSTRUCTIONS FOR CODING RECLASSIFICATION ENTRIES

Record a separate transaction for each ultimate fund distribution calculated on the worksheets if the ultimate fund is a Non-Governmental Fund or Bond Fund other than a General Obligation Bond fund. No entry is required for the portion distributed to a Governmental Fund or General Obligation Bond Fund. Use TC 517 for Vendor Type **3** entries and TC 519 for Vendor Types **2, 4** and **5** entries:

TC 517-YE Reclassify Encumbrances (A/P) as Due to Other Funds or Appropriations

Dr. 3010 Accounts Payable

Cr. 3110 Due to Other Funds or Appropriations

TC 519-YE Reclassify Encumbrances (A/P) as Due to Other Governments

Dr. 3010 Accounts Payable

Cr. (Input 3210, 3220 or 3290)

When the same suffix is used (i.e. 00), only the last entry used for reclassification will show in the Document File and the previous entries will have no match requirements.

NOTE: Use a Current Document Number RECL3010 *nn* (where *nn* is a suffix) and assign an incremental Document Number Suffix to each entry, beginning with Suffix 01. If the same Suffix is used on all entries (i.e. 00), only the last entry used for reclassification will show on the Document File and the previous entries will have no match requirements. This will result in errors during the YEC/YEO process causing further delays.

Use Document Date of **06-30-yy** (where **yy** is the current year.)

Do not use the PCA. Instead, use the ultimate funding information: (Appropriation Symbol, Fund Source, Fund and Method) identified on the worksheets.

TC 517 entries for Vendor Type **3** require an 8-digit Subsidiary. The Subsidiary is **nnnn0000** where *nnnn* represents the fund number the encumbrance amount is Due To (identified on the worksheet at the top of the "Fund Due To" column). These Subsidiaries must be established in the D32 Subsidiary Descriptor Table.

TC 519 entries for Vendor Types **2, 4** and **5** require a General Ledger number. Use the GL numbers contained in the column heading for the Vendor Type.

NOTE 1: After the reclassification entries have been posted, the FM13 DB1/DB2 Reports will include the GL 3110 and GL 32*nn* from the TC 517 and TC 519 entries as well as an offsetting line titled "Reclass Accts Payable/Enc". These lines should be included in all FM 13 reconciliations.

NOTE 2: Because both TC 517 and TC 519 create an abnormal balance in GL 3010, all transactions post to the Error File. Departments can avoid these errors by entering **W** in the ERR OVRD Field on the financial

transaction input screen. If errors do occur, correct these errors by using the Fund Control Override (**44, W**) error correction coding.

Departments may also correct these errors by setting position **3** of the OC Table Fund-related Error Severity Segment to **W**. Make sure to change position **3** in the OC table for each Funding Fiscal Year posted in the reclassification transactions. This allows these transactions and all other FM 13 abnormal balance transactions to post with a warning message. Once the YEC/YEO process has been completed, the OC Table should be changed back to "F" or blank.

All entries recorded with TC 517 and TC 519 are reversed in the new year.

NOTE: To have these entries automatically reversed during the Year-end Open process, they must be coded according to the Automated Accrual Reversal Process (batch type "00") requirements discussed in Chapter II, section *Use of Fiscal Month 13 for Year-end Adjustments*.

EXHIBIT V-1
VENDOR TYPE 3 ACCOUNTS PAYABLE
RECLASSIFICATION WORKSHEET

FUNDING FISCAL YEAR 2010
(TC 517)

PCA	DUE TO FUND			
	0001	0044	0666	0678
10000	<u>431,956.00</u>	<u>32,511.00</u>	<u>40,000.00</u>	<u>640.00</u>
36% 100-G-0001-1 ^{1/}	155,504.16	11,703.96	14,400.00	230.40
64% 101-F-0890-1 ^{2/}	276,451.84	20,807.04	25,600.00	409.60
20000				
100% 201-F-0890-1 ^{2/}	200,000.00	16,300.00	20,000.00	--

TOTAL WORKSHEET: \$ 559,568.48

SOURCE: D07-Year-end Document File Report of Encumbrances

Prepared by: U. R. Dunne Date: 7-11-11

^{1/} Encumbrance reclass entries are **NOT REQUIRED** for the ultimate fund portion distributed to Governmental Funds or General Obligation Bond Funds.

^{2/} Encumbrance reclass entries are **REQUIRED** for Non-Governmental Funds or Bond Funds other than General Obligation Bond Funds.

EXHIBIT V-2
VENDOR TYPE 3 ACCOUNTS PAYABLE
RECLASSIFICATION WORKSHEET

FUNDING FISCAL YEAR _____
(TC 517)

PCA	DUE TO FUND			

TOTAL WORKSHEET: _____

SOURCE: D07-Year-end Document File Report of Encumbrances

Prepared by: _____ Date: _____

Note: Prepare reclass entries for the portion of the encumbrance funded by Non-Governmental Funds or Bond Funds other than General Obligation Bond Funds.

EXHIBIT V-3
VENDOR TYPES 2, 4, & 5 ACCOUNTS PAYABLE
RECLASSIFICATION WORKSHEET

FUNDING FISCAL YEAR 2010
(TC 519)

PCA	VENDOR TYPE 2 3210-DUE TO FEDERAL GOV'T	VENDOR TYPE 4 3220-DUE TO LOCAL GOV'T	VENDOR TYPE 5 3290-DUE TO OTHER GOV'TS
10000		<u>675,000.00</u>	
36% 100-G-0001-1 ^{1/}		243,000.00	
64% 101-F-0890-1 ^{2/}		432,000.00	
20000			
100% 201-F-0890-1 ^{2/}		125,000.00	

TOTAL WORKSHEET: \$ 557,000.00

SOURCE: D07-Year-end Document File Report of Encumbrances

Prepared by: U. R. Dunne Date: 7-11-11

^{1/} Encumbrance reclass entries are **NOT REQUIRED** for the ultimate fund portion distributed to Governmental Funds or General Obligation Bond Funds.

^{2/} Encumbrance reclass entries are **REQUIRED** for Non-Governmental Funds or Bond Funds other than General Obligation Bond Funds.

EXHIBIT V-4
VENDOR TYPES 2, 4, & 5 ACCOUNTS PAYABLE
RECLASSIFICATION WORKSHEET

FUNDING FISCAL YEAR _____
(TC 519)

PCA	VENDOR TYPE 2 3210-DUE TO FEDERAL GOV'T	VENDOR TYPE 4 3220-DUE TO LOCAL GOV'T	VENDOR TYPE 5 3290-DUE TO OTHER GOV'TS

TOTAL WORKSHEET: _____

SOURCE: D07-Year-end Document File Report of Encumbrances

Prepared by: _____ Date: _____

Note: Prepare reclass entries for the portion of the encumbrance funded by Non-Governmental Funds or Bond Funds other than General Obligation Bond Funds.

NON-GOVERNMENTAL YEAR-END FINANCIAL REPORTS

Several CALSTARS reports are used to prepare year-end financial reports for Non-Governmental Funds. Each fund must have a separate set of financial reports. This section describes the year-end financial reports and the specific CALSTARS reports for the most common types of Non-Governmental Funds. Departments should also review the Year-end Financial Reports Training Manual (Budgetary/Legal Basis) issued by the State Controller's Office (SCO) for additional instructions.

Chapter IV-A, Exhibit IV-A-1 lists the year-end financial reports for Non-Governmental Funds that must be submitted to the SCO or the State Treasurer's Office (STO).

Departments should review statements using the Manual Year-end Report Checklist prior to submitting financial statements to SCO. The checklist is displayed in Chapter IV-A, Exhibit IV-A-25. It can also be accessed on the Internet at www.dof.ca.gov/html/calstars/calsdocs/optools/yecklist.doc.

Although all of the sample financial reports shown include the completed certification signature blocks, this is no longer required. SCO requires that departments submit a certification letter instead of completing the certification signature blocks on individual financial reports. A separate certification letter is required for each fund submitted. Exhibit V-5 and V-6 display a examples of certification letters for a Non-Governmental Fund.

EXHIBIT V-5
CERTIFICATION COVER MEMO FOR NON-GOVERNMENTAL FUNDS

State of California

M e m o r a n d u m

Date : August 1, 2011

To : State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816 B-8

From : Department of Air Quality (9990)
102 North Street
Sacramento, CA 95814
I.M. King, Director, IMKing@daq.ca.gov
U.R. Dunne, Chief of Accounting, URDunne@daq.ca.gov

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year end June 30, 2011, are enclosed:

NON-GOVERNMENTAL COST FUND (0698)

<u>Report No.</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State
Treasury	(Submitted with the General Fund)
18	Statement of Changes in Capital Assets
19	Statement of Capital Assets (Submitted with the General Fund)
22	<i>No Activity to Report</i> for Contingent Liabilities

Contact Person: I. Ben Tryin
Phone Number: (916) 555-1234
E-mail: IBTryin@daq.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 1st day of August, 2011, at Sacramento, California.

Signature of Officer

Type or print name of Officer

Title of Officer

EXHIBIT V-6
CERTIFICATION COVER MEMO FOR FEDERAL TRUST FUNDS

State of California

M e m o r a n d u m

Date : August 1, 2011

To : State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816 B-8

From : Department of Air Quality (9990)
102 North Street
Sacramento, CA 95814
I.M. King, Director, IMKing@daq.ca.gov
U.R. Dunne, Chief of Accounting, URDunne@daq.ca.gov

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year end June 30, 2011, are enclosed:

FEDERAL TRUST FUND (0890)

<u>Report No.</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of Federal Funds
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State
Treasury	(Submitted with the General Fund)
18	Statement of Changes in Capital Assets
19	Statement of Capital Assets (Submitted with the General Fund)
22	<i>No Activity to Report</i> for Contingent Liabilities

Contact Person: I. Ben Tryin
Phone Number: (916) 555-1234
E-mail: IBTryin@daq.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 1st day of August, 2011, at Sacramento, California.

Signature of Officer

Type or print name of Officer

Title of Officer

PREPARATION OF STATEMENTS

Several of the reports required for Non-Governmental Funds are the same as the reports prepared for Governmental Funds. However, Report No. 3 differs slightly in preparation. Fiduciary reporting for Federal Trust Funds and Other Trust and Agency Funds are discussed separately in this chapter.

The following reports are required for Non-Governmental Cost Funds:

Report No. 3-Adjustment to Controller's Accounts.

Report No. 3 is required if needed. Although Report No. 3 for Non-Governmental Funds uses the same format (Exhibits V-7 and V-8) as Governmental Funds, the content is somewhat different. Report No. 3 is required for Non-Governmental Cost Funds only when one or more of the following accounts must be adjusted:

- | | |
|------------------------|---|
| GL 1140 | - Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted. |
| GL 1210 | - Deposits in Surplus Money Investment Fund (SMIF) must always agree with the June 30 SCO Deposits in Surplus Money Investment Fund Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1210, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted. |
| GL 1730.0512 | - Prepayments to State Compensation Insurance Fund (from Category 96) |
| GL 1730.0666000 | - Prepayments to Service Revolving Fund (from Category 98) |
| GL 2120 | - Advances to Other Funds (from Category 95) |

Report No. 3 for Non-Governmental Cost Funds is prepared when the department's account balances for the above GLs **do not agree** with the SCO's balances on June 30 due to an error on the SCO's records. Use Form 576A (see Exhibit V-7) to report adjustments. Form 576-B is not required. An explanation for each adjustment should be included with the completed form. Even though the adjustment is an SCO error, the reported adjustment should be the amount necessary to bring the department's accounts into agreement with the SCO's June 30 balances. The total

debits must equal total credits. The “contra” entry is normally “Due to Other Funds” or “Due From Other Funds”.

Report No. 7-Pre Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-9.

NOTE: SCO uses this report as a computer input document to record accruals for Non-Governmental Cost Funds.

Report No. 8-Post-Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-10. The G02 Report also includes the Subsidiaries on File. Refer to the example in Exhibit V-11.

G01-General Ledger Trial Balance Report

In addition to the Report No's. 7 and 8 (G02 Report), the SCO requests departments with **shared** Non-Governmental Cost Funds to submit a G01 Report (FM=PY, P=Y). Shared funds use General Ledger (GL) 5570, Fund Balance – Clearing Account. The SCO uses the G01 Report to help resolve problems when combining department reports to create the consolidated reports for the fund.

Report No. 9-Analysis of Change in Fund Balance

G04 Report. Refer to the example in Exhibit V-12.

Departments submit a Report No. 9, Analysis of Change in Fund Balance, when they account for a Non-Governmental Fund in its entirety (non-shared) or for an account within a Non-Governmental Fund in its entirety, such as, the Federal Trust Fund or the Special Deposit Fund.

A non-shared fund uses GL 5530-Fund Balance-Unappropriated, or GL 5540-Retained Earnings for proprietary funds (GAAP Indicator of **E** or **I** on D22 Fund Descriptor Table).

Report No. 9, Analysis of Change in Fund Balance, is also known as the Statement of Operations. The report displays the beginning fund balance, additions (e.g. revenues), deductions (e.g. expenditures), and the ending fund balance. The beginning fund balance on the Report No. 9 must equal the ending fund balance from the previous year's Report No. 9. Any discrepancies must be footnoted with an explanation of the changes made subsequent to submission of the previous year-end financial statements. Adjustments entered with TCs 581 and 582 will be automatically footnoted on Report No. 9. Refer to Volume 6, Chapter III, Exhibit III-G04, Analysis of Change in Fund Balance, for an example of Report No. 9 with automated footnotes.

Report No. 18-Statement of Changes in Capital Assets (if applicable)

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-14.

Departments submit a Report 18 for Non-Governmental funds using the Capital Assets Group of Accounts (GLs 2310-2341) in Fund 0997. This report shows the beginning balance, additions, deletions and resulting ending balance for each of

the capital asset accounts. Report No. 18 should be submitted with the financial reports for each fund that has investments in capital assets.

NOTE: If there are no capital assets for a fund, it should be noted in the certification letter for Report No. 18.

Report No. 20-Statement of Financial Condition

G04 Report. Refer to the example in Exhibit V-15.

Departments submit a Report No. 20, Statement of Financial Condition, when they account for a Non-Governmental Fund in its entirety (non-shared) or for an account within a Non-Governmental Fund in its entirety, such as, the Federal Trust Fund or the Special Deposit Fund. Report No. 20, Statement of Financial Condition provides the balances of the assets, liabilities, and fund equity as of June 30.

REVISIONS TO REPORTS

After submitting year-end reports to the SCO, departments must report any material differences relating to prior year accruals. For Non-Governmental Cost Funds, materiality applies only to cash. Departments should immediately contact the SCO to see what is required. Typically, the SCO will require revised Report No. 7, and Report No. 8, but the SCO may only require forms 571E and 571F, Revisions to Accruals and Adjustments to Controller's Accounts, to be prepared. Revisions are due to the SCO by the end of September.

Instructions for completing the Form 571E and 571F may be found in Volume 7, Chapter IV-A, *Revisions To Reports* section.

PREPARE TRUST AND AGENCY FUNDS-FEDERAL STATEMENTS

Trust and Agency Funds-Federal are classified as fiduciary funds. Accounting and reporting requirements are found in SAM Sections 17100-17400. Expenditure and income accruals are prepared in the same manner as governmental or proprietary funds.

Statement Requirements for the Federal Trust Fund

The following year-end statements are required for the Federal Trust Fund:

Report No. 3-Adjustment to Controller's Accounts

Report No. 3 is required if needed. Refer to the example in Exhibits V-7 and V-8. For more information, refer to section *Preparation of Statements, Report No. 3*, at the beginning of this chapter.

Report No. 7-Pre Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-9.

GL 1140-Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

Report No. 8-Post-Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-10. The G02 Report also includes the Subsidiaries on File. Refer to the example in Exhibit V-11.

NOTE: Fund may have Transfers-In/Out (GL 9814/9815) activity along with other nominal accounts. GL 5530, Fund Balance-Unappropriated must be zero.

Report No. 9-Analysis of Change in Fund Balance

G04 Report. Refer to the example in Exhibit V-12.

NOTE: SCO requires this report to show the "Fund Balance" total as zero at year-end. See the special section in this chapter entitled "Report 9 – Fund Balance Adjustment" illustrating the accrual process to comply with this requirement.

Report No. 13-Report of Expenditures of Federal Funds

Beginning in the 2010-11 Fiscal Year, the Report No. 13 is required to be submitted to Department of Finance with a copy to the SCO with other year-end reports and to identify activity in the American Recovery and Reinvestment Act (ARRA). In CALSTARS, Report No. 13 is produced by the Q34, Report of Expenditures of Federal Funds. Refer to the example in Exhibit V-13. The Certification Statement on the Q34 must be signed when submitted to Department of Finance – FSCU. The Q34 Report displays the total budgetary expenditures in support of the amount displayed on Report No. 7, Pre-Closing Trial Balance (part of the G02 Report). The Q34 Report uses the title of each project from the D42-Project Descriptor Table and displays direct program costs, department administrative cost recoveries (Object Detail **421-427**) and the Statewide Indirect Cost recoveries (Object Detail **439**).

The only available reporting period option for the Q34 Report is **PY**. The report is available only from July 1 until the department sets the OC Table Run YEC Indicator to **C**.

When requesting the Q34 Report, there are two options available within the **P** level of detail field on the Report Selection Options screen (Command **G.3**):

- 0** - List all grants/projects and amounts with total, certification and page-break by fund.
- 1** - Same as **0** above, but with a sub-total for each change of program.

The following checks should be made on Report No. 13:

- ✱ The expenditures reported are for funds received directly from the federal government, which are deposited in the Federal Trust Fund upon receipt of the reporting department.

- ✧ The expenditures reported are for the state fiscal year.
- ✧ The grand total of expenditures for this report equals GL 9000-Expenditures on the Pre-Closing Trial Balance for the Federal Trust Fund.

Report No. 18-Statement of Changes in Capital Assets (if applicable)

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-14.

Report No. 20-Statement of Financial Condition

G04 Report. Refer to the example in Exhibit V-15

EXHIBIT V-7
REPORT NO. 3 ADJUSTMENT TO CONTROLLER'S ACCOUNTS

REPORT NO. 3 Form 576 A (Rev. 3/10)

Adjustments to Controller's Accounts

June 30, 2011

Page 1 of 1

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
B			

Agency Name and Number <p style="text-align: center;">DEPARTMENT OF AIR QUALITY (9990)</p>	Fund Name and Number <p style="text-align: center;">FEDERAL TRUST FUND (0890)</p>	
Name of Contact Person, Title <p style="text-align: center;">U.R. Dunne, Accounting Administrator</p>	Telephone Number <p style="text-align: center;">445-0000</p>	Email Address <p style="text-align: center;"><u>URDunne@daq.ca.gov</u></p>

ACCOUNT TITLE	ACCOUNT		AMOUNT	D C
DUE FROM OTHER FUNDS	*1410	0001	2,963.00	D
DUE FROM OTHER APPROPRIATIONS	1420			
DUE TO OTHER FUNDS	*3114			
DUE TO OTHER APPROPRIATIONS	3115			
CASH IN STATE TREASURY	1140		2,963.00	C
Net Credits/Debits			—	

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

***Specify the funds to which this pertains**

STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER
TRANSACTION REQUEST

STATE CONTROLLER'S USE ONLY	
TC Code	VERIFIED BY:
	DATE:

Agency:	Address:	Agency Document Number:
DEPARTMENT OF AIR QUALITY (9990)	102 North Street, Sacramento, CA 95814	10-098

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

EXHIBIT V-9

***** RUN:07/31/11 TIME:17.45

DEPARTMENT OF AIR QUALITY

(REPORT 7)

AS OF 06/30/11

***** PAGE 1

FUND: : 0890 FEDERAL TRUST FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	21,572,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	4,183,739.58	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	5,992,463.09	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	6,745,384.74	3220
3290	DUE TO OTHER GOVERNMENTAL ENTITIES	0.00	4,616,827.38	3290
8000	REVENUE/OPERATING REVENUE	0.00	194,996,057.00	8000
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	219,056,549.48	219,056,549.48	

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-10

```
CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, , , , , , , ***** RUN:07/31/11 TIME:17.45
PRIOR FISCAL YEAR: 2010          0(ORG )***** 1(FUND ) FUND(ALL )*****
```

DEPARTMENT OF AIR QUALITY
POST-CLOSING TRIAL BALANCE
AS OF 06/30/11

(REPORT 8)

***** PAGE 10

FUND: : 0890 FEDERAL TRUST FUND

SUBSIDIARY FILE

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN	GLAN
1140	GENERAL CASH	1,612,907.42	0.00	1140	
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319	
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380	
1410	DUE FROM OTHER FUNDS	18,586.49	0.00	1410	1400
1510	DUE FROM THE FEDERAL GOVERNMENT	20,589,627.57	0.00	1510	1500
1590	DUE FROM OTHER GOVERNMENTAL ENTITIES	982,844.00	0.00	1590	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600	1600
3010	ACCOUNTS PAYABLE	0.00	4,183,739.58	3010	
3020	CLAIMS FILED	0.00	1,665,550.69	3020	
3114	DUE TO OTHER FUNDS	0.00	5,992,463.09	3114	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	6,745,384.74	3220	
3290	DUE TO OTHER GOVERNMENTAL ENTITIES	0.00	4,616,827.38	3290	
*TOTAL FUND	0890	24,060,492.48	24,060,492.48		

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August, 2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-12

***** RUN:07/31/11 TIME:17.45

REPORT 9

PAGE 56

FUND : 0890 FEDERAL TRUST FUND

0.00

ADDITIONS:

194,996,057.00

194 996,057.00

DEDUCTIONS:

194,996,057.00

194,996,057.00

0.00

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

, CALIFORNIA.

U. R. Danne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-13

CSTARQ34 9990 (DEST: AA SPEC) PY, ,0,0,0,0, , , , , , , ***** RUN:07/29/10 TIME:06.00

DEPARTMENT OF AIR QUALITY (9990)
REPORT OF EXPENDITURES OF FEDERAL FUNDS
AS OF 06/30/10

REPORT NUMBER 13

***** PAGE 1

[illegible]

*TOTAL FUND 0890 NON-ARRA	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
---------------------------	-----------------------	-----------------------	-----------------------

XX.XXX ARRA	XX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX ARRA	XX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX ARRA	XX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-

*TOTAL FUND 0890 ARRA	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
-----------------------	-----------------------	-----------------------	-----------------------

*TOTAL FUND 0890	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
------------------	-----------------------	-----------------------	-----------------------

*TOTAL FEDERAL FUNDS	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
----------------------	-----------------------	-----------------------	-----------------------

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1 DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August, 2011 AT SACRAMENTO, CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U.R.Dunne
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR I
TITLE OF OFFICER

NOTE: Certification must be complete. Original sent to Department of Finance – FSCU and a copy submitted to SCO with Financial Statements.

REPORT NO. 13 REPORT OF EXPENDITURES OF FEDERAL FUNDS

CSTARQ34 9990 (DEST: AA SPEC) PY, ,0,0,0,1, , , , , , , , ***** RUN:07/29/10 TIME:06.00
PRIOR FISCAL YEAR: 2009 *****

DEPARTMENT OF AIR QUALITY (9990)
REPORT OF EXPENDITURES OF FEDERAL FUNDS
AS OF 06/30/10

PAGE 1

FUND: 0890 FEDERAL TRUST FUND

SCO

CFDA	PRJ	PROJ-WP	FFY	DESCRIPTION	EXPENDITURES	ENCUMBRANCES	TOTAL	
-----	----	-----	--	-----	-----	-----	-----	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
*TOTAL FUND 0890 NON-ARRA					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX ARRA					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX ARRA					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
XX.XXX	XXX	XXXXXX	XX	XXXX	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-
*XX.XXX					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
*TOTAL FUND 0890 ARRA					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
*TOTAL FUND 0890					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	
*TOTAL FEDERAL FUNDS					9,999,999,999,999.99-	9,999,999,999,999.99-	9,999,999,999,999.99-	

EXHIBIT V-14

CSTARG05 9990 (DEST: A1 CTL1) PY, ,0,0,0,2, , , , , , , ***** RUN:07/31/11 TIME:19.01

DEPARTMENT OF AIR QUALITY (9990)
STATEMENT OF CHANGES IN CAPITAL ASSETS
AS OF 06/30/11

REPORT 18

***** PAGE 3

FUND: 0997 CALSTARS CAPITAL ASSETS ACCOUNT GROUP REPORT

FUND DETAIL: 06 FUND 0890-FEDERAL TRUST FUND

GL_ACCT	ACCOUNT TITLE	D/C	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE	ACCT NO.
2341	EQUIPMENT	D	1,859,455.99	29,219.11	.00	1,888,675.10	2341
*TOTAL FUND DETAIL 06			1,859,455.99	29,219.11	.00	1,888,675.10	
*TOTAL FUND 0997			10,885,081.73	498,679.71	.00	11,383,761.44	

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August, 2011 AT SACRAMENTO, CALIFORNIA

U. R. Dunne
SIGNATURE OF OFFICER

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. DUNNE
ACCOUNTING ADMINISTRATOR

[illegible]

CASH:		ASSETS
1140	CASH IN STATE TREASURY	1,612,907.42
ACCOUNTS RECEIVABLE:		
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00
1380	CONTINGENT RECEIVABLES	302,331.00
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49
1500	DUE FROM OTHER GOVERNMENTS	21,572,471.57
1600	PROVISION FOR DEFERRED RECEIVABLES	856,527.00CR
TOTAL ASSETS		23,203,965.48

LIABILITIES:

V-28

EXHIBIT V-15 (Continued)

REPORT NO. 20 STATEMENT OF FINANCIAL CONDITION-FEDERAL FUNDS

CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, , , , , , , ***** RUN:07/31/11 TIME:17.45
PRIOR FISCAL YEAR: 2010 0(ORG)***** 2(BYFDT) FUND(ALL)*****

DEPARTMENT OF AIR QUALITY
STATEMENT OF FINANCIAL CONDITION
AS OF 06/30/11

REPORT 20

***** PAGE 58

FUND : 0890 FEDERAL TRUST FUND

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne

SIGNATURE OF OFFICER

U. R. DUNNE

TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR

TITLE OF OFFICER

Report 9 - Fund Balance Adjustments

Before an Agency/Department is able to submit year-end reports on the Federal Trust Fund, SCO requires statements show that Federal revenues and reimbursements match expenditures. Expenditures include accruals at year-end therefore, it is required for a department that receives Federal Funds to record a revenue accrual to match those expenditures.

NOTE: This procedure should be one of the last steps in preparation of financial statements for the Federal Trust Fund and **only** after FM 13 accruals, adjustments and Cost Allocation have been completed.

INSTRUCTIONS FOR ADJUSTING THE FUND BALANCE ON REPORT 9:

Exhibits V-16 and V-17 are examples of a Report 7 and 9 illustrating the balances **before** an accrual for Federal Revenues is recorded.

NOTE: Although it is rare that Reimbursements are included in Federal Funds, there are cases where they do exist. For that purpose, we have included them in these Exhibits. Reimbursements are also calculated when determining how much Federal revenue will need to be accrued.

1. Order a G02 (Report 7 and 8) and a G04 (Report 9) for the Federal Trust Fund only.
2. On the G04 report, determine how much revenue will need to be accrued by the Fund Balance Total.

NOTE: Prior to recording the revenue accrual, the Fund Balance total should always show a Debit Balance (DR).

3. On the G02 report (Report 7), make the following calculations:

$$\text{GLAN 9000} - (\text{GLAN 8000} + \text{8100}) = \text{Accrual Amount}$$

4. Compare this calculation to the G04 (Report 9) Fund Balance Total to confirm they equal.
5. Record an A-9 (Revenue Accruals) transaction for each Federal Revenue Source as needed:

TC 128 – Record Due From Other Governments – Revenue
Dr. 1500 Due From Other Governments
Cr. 8000 Revenue/Operating Revenue

NOTE: Agencies/Departments should record an accrual for each Federal Revenue Source to match the expenditures for their programs.

Once the transactions have posted, request a new Report 7 and 9 (see Exhibit 18 and 19) and review the updated balances. Report 9 Fund Balance Total **must** be zero. Proceed with completing financial statements for the Federal Trust Fund.

EXHIBIT V-16

```
CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1,      ,    ,    ,    ,    ,    ,    ***** RUN:07/31/11 TIME:17.45
PRIOR FISCAL YEAR:   2010          0(ORG )***** 1(FUND ) FUND(ALL )*****
                                DEPARTMENT OF AIR QUALITY
                                PRE-CLOSING TRIAL BALANCE                               (REPORT 7)
                                AS OF 06/30/11
```

FUND: : 0890 FEDERAL TRUST FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	72,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	4,183,739.58	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	5,992,463.09	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	6,745,384.74	3220
3290	DUE TO OTHER GOVERNMENTAL ENTITIES	0.00	4,616,827.38	3290
8000	REVENUE/OPERATING REVENUE	0.00	173,080,057.00	8000
8100	REIMBURSEMENTS	0.00	416,000.00	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	197,556,549.48	197,556,549.48	

GLAN 8000 and 8100 must equal GLAN 9000.

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-17

***** RUN:07/31/11 TIME:17.45

REPORT 9

PAGE 56

FUND : 0890 FEDERAL TRUST FUND

0.00

ADDITIONS:

173,080,057.00
416,000.00

173 496,057.00

DEDUCTIONS:

194,996,057.00

194,996,057.00

21,500,000.00DR

When Expenditures exceed the Revenue/Reimbursements, the Fund Balance will show as a “DEBIT” amount.

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-18

REPORT NO. 7 PRE-CLOSING TRIAL BALANCE-FEDERAL FUNDS (AFTER ACCRUAL)

CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, , , , , , , , , , , ***** RUN:07/31/11 TIME:17.45
PRIOR FISCAL YEAR: 2010 0(ORG)***** 1(FUND) FUND(ALL)*****

DEPARTMENT OF AIR QUALITY
PRE-CLOSING TRIAL BALANCE
AS OF 06/30/11

(REPORT 7)

***** PAGE 1

FUND: : 0890 FEDERAL TRUST FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	21,572,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	4,183,739.58	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	5,992,463.09	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	6,745,384.74	3220
3290	DUE TO OTHER GOVERNMENTAL ENTITIES	0.00	4,616,827.38	3290
8000	REVENUE/OPERATING REVENUE	0.00	194,580,057.00	8000
8100	REIMBURSEMENTS	0.00	416,000.00	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	219,056,549.48	219,056,549.48	

TC 128 accrual will debit 1500 and credit 8000. The result is that Federal Revenues equal expenditures.

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

EXHIBIT V-19

***** RUN:07/31/11 TIME:17.45

REPORT 9

PAGE 56

0.00

194,580,057.00

194,996,057.00

194,996,057.00

194,996,057.00

0.00

Expenditures and Revenue/Reimbursements are now equal. The Fund Balance will be zero.

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 1st DAY OF August ,2011 AT SACRAMENTO , CALIFORNIA.

U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

PREPARE TRUST AND AGENCY FUNDS-OTHER STATEMENTS

Trust and Agency Funds-Other are classified as fiduciary funds. Accounting and reporting requirements are found in SAM Sections 18420-18426. The most common use of fiduciary funds is the Special Deposit Fund.

Statement Requirements for Special Deposit Funds

Report No. 9 and Report No. 20 are required for each Special Deposit Fund account. CALSTARS departments must maintain accountability by establishing a D23 Fund Detail Descriptor Table entry for each account in the Special Deposit Fund (0942). However, only **one** overall Report No. 7 and Report No. 8 is submitted at fund level to the SCO.

The following statements are required for the Special Deposit Fund:

Report No. 3-Adjustment to Controller's Accounts

Report No. 3 is required if needed. Refer to the example in Exhibits V-7 and V-8. For more information, refer to section *Preparation of Statements, Report No. 3*, at the beginning of this chapter.

Report No. 7-Pre Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-20.

GL 1140-Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

GL 1210-Deposits in Surplus Money Investment Fund must always agree with the June 30 SCO Deposits in Surplus Money Investment Fund Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1210, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

Report No. 8-Post Closing Trial Balance

G02 Report. Refer to the example in Exhibit V-21.

Report No. 9-Analysis of Change in Fund Balance

G04 Report ordered at fund detail level (F=2). Refer to the example in Exhibit V-22.

Report No. 18-Statement of Changes in Capital Assets (if applicable)

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-14.

Report No. 20-Statement of Financial Condition

G04 Report ordered at fund detail level (F=2). Refer to the example in Exhibit V-23.

Statement Requirements for Other Trust and Agency Funds-Other

Required year-end statements for the other funds within this grouping vary slightly from the statements for the Special Deposit Fund. Refer to SAM Sections 18426-19305 for these reporting requirements.

Non-Treasury Trust Funds

The SCO defines Non-Treasury Trust Funds as money or property in the custody of a state department that is not required to be remitted to the State Treasury. This includes monies deposited in accounts within the Centralized State Treasury System (i.e., department CTS bank accounts) which are not remitted to the State Treasury, as well as monies deposited in bank accounts outside the State Treasury (i.e., those listed on Report No. 14). In CALSTARS, these monies should be accounted in Fund 0990, Fiduciary Funds Outside Centralized Treasury System.

Refer to SAM Sections 19400-19464 for the accounting and reporting requirements. The SCO requires the following year-end statements for Non-Treasury Trust funds:

Report No. 7-Pre Closing Trial Balance

G02 Report.

Report No. 8-Post Closing Trial Balance

G02 Report.

Report No. 9-Analysis of Change in Fund Balance

G04 Report.

Report No. 20-Statement of Financial Condition

G04 Report.


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CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,2,          ,          ,          ,          ,          ,          ***** RUN:07/31/11 TIME:17.45
PRIOR FISCAL YEAR:   2010           0(ORG )***** 2(BYFDT ) FUND(ALL )*****
                                DEPARTMENT OF AIR QUALITY (9990)
                                ANALYSIS OF CHANGE IN FUND BALANCE
                                FOR THE FISCAL YEAR ENDED 06/30/11                                     REPORT 9
```



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CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,2, , , , , , , , , , ***** RUN:07/31/11 TIME:17.45  
PRIOR FISCAL YEAR: 2010      0(ORG )***** 2(BYFDT ) FUND(ALL )*****  
                                DEPARTMENT OF AIR QUALITY (9990)  
                                ANALYSIS OF CHANGE IN FUND BALANCE  
                                FOR THE FISCAL YEAR ENDED 06/30/11  
  
REPORT 9
```

FOOTNOTE : RECEIPTS AND DISBURSEMENTS OF LIABILITIES FOR DEPOSITS ARE NOT SHOWN IN THE ABOVE REPORT SINCE THEY ARE ACCOUNTED IN GL ACCOUNT NUMBER 3500. HOWEVER, IF THIS ACTIVITY WAS ACCOUNTED AGAINST NOMINAL ACCOUNTS (REVENUE/EXPENDITURES), DISPLAY OF THIS ACTIVITY PER SECTION 7963 OF S.A.M. WOULD BE SHOWN AS BELOW:

ADDITIONS:		DEDUCTIONS:	
RECEIPT OF DEPOSITS	120,414.00	DISBURSEMENTS	69,209.17
RECEIPT OF SECURITIES	0.00	RETURN OF DEPOSITS	0.00
DONATED LONG TERM INVEST	0.00	RETURN OF SECURITIES	0.00
OTHER ADDITIONS	0.00	OTHER DEDUCTIONS	0.00

ENDING BALANCE,	June 30, 2011	1,452,181.51
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U. R. Dunne
SIGNATURE OF OFFICER

U. R. DUNNE
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

Not all Fund 0942 Fund Detail accounts are shown in this exhibit. As a result, the CSTARG04 does not agree with the CSTARG02 displayed in Exhibits V-20 and V-21

[illegible]

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***** PAGE 57
FUND      :    0942  SPECIAL DEPOSIT FUND
FUND DETAIL:    01  SETTLEMENT FEES
*****
```

CASH:

LIABILITIES AND FUND EQUITY

LIABILITIES:

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

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ACCOUNTING ADMINISTRATOR
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Note:

Not all Fund 0942 Fund Detail accounts are shown in this exhibit. As a result, the CSTARG04 does not agree with the CSTARG02 displayed in Exhibits V-20 and V-21